

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
September 19, 2011

The meeting was called to order at 7:00 p.m. in the District Conference Room.

CALL TO ORDER/ROLL CALL

Directors Present:

Robert S. Brower, Sr., Chair -- Division 5
Dave Potter, Vice Chair – Monterey County Board of Supervisors
Brenda Lewis – Division 1
Judi Lehman – Division 2
Kristi Markey – Division 3
Regina Doyle – Division 4
David Pendergrass – Mayoral Representative

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

ORAL COMMUNICATIONS

The following comments were directed to the Board during Oral Communications. (1) **Dick Heuer**, former MPWMD Board member, requested that the District investigate all “serious” water supply alternatives, including feasibility of obtaining approval for construction of a dam on the Carmel River. Mr. Heuer’s statement is on file at the District office and can be viewed on the District’s website. (2) **Bill Cleary** urged the Board to reconsider the New Los Padres Dam project. He stated that desalination is only viable in areas that have no fresh water to capture. (3) **Marc Beique** opined that the District should enter into negotiations with the National Marine Fisheries Service and the State Water Resources Control Board (SWRCB) to reconsider the New Los Padres Dam project. Mr. Beique’s statement is on file at the District office and can be viewed on the District’s website. (4) **Roland Martin** disagreed with the Board’s August 15, 2011 decision to not analyze the WaterPlus proposal for public purchase of California American Water (Cal-Am). He expressed support for reconsideration of the New Los Padres Dam project. Mr. Martin’s statement is on file at the District office and can be viewed on the District’s website. (5) **Lou Panetta** requested that the Board evaluate the new Los Padres Dam Project as a water supply alternative. (6) **George Riley**, representing Citizens for Public Water, encouraged

Cal-Am to accelerate completion of water audits. He proposed enactment of Stage 2 conservation rules. In addition, he stated that the SWRCB should process the Table 13 water rights applications incrementally, in order to reduce the amount of water that must be replaced by a new water supply project. (7) **Buck Jones** urged the Board to negotiate with the National Marine Fisheries Service on reconsideration of the New Los Padres Dam project. He stated that the community is waiting to learn how the District proposes to augment the water supply. (8) An email from **Charles Page** was read into the record. Mr. Page expressed support for opinions expressed by Dick Heuer in articles he authored for the Monterey County Herald

On a motion by Director Potter and second of Director Doyle, the Consent Calendar items were adopted unanimously on a vote of 7 – 0.

Adopted.

Adopted.

Adopted.

Adopted.

Adopted.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the August 15, 2011 Regular Board Meeting and August 25, 2011 Board Workshop**
2. **Consider Adoption of Findings of Approval – Consider Request for Variance from District Rule 23-B-2-a Requiring a Separate Water Meter for Each Water User at 10 Vista Ladera, Carmel Valley (APN 187-111-027), Applicant: Elaine Rankin**
3. **Authorize Expenditure of Reimbursable Funds Obtained from the California Department of Fish and Game to Contract with List Engineering to Complete Final Design and Denise Duffy & Associates to Complete Environmental Review and Permitting for the Sleepy Hollow Steelhead Rearing Facility (SHSRF) Sediment Control and Intake Retrofit**
4. **Consider Budgeted Expenditure for Pump Maintenance at Sleepy Hollow Steelhead Rearing Facility**
5. **Consider Authorization of Sub-Grantee Agreements, Consultant Contracts, and Purchase Orders for Projects to Update the Integrated Regional Water Management Plan for the Monterey Peninsula, Carmel Bay and Southern Monterey Bay**

Adopted.

Adopted.

Adopted.

Adopted.

The report was presented by Craig Anthony, General Manager of California American Water, Monterey District. His report is on file at the District office and can be viewed on the District's website. He noted that water consumption continues to decline over a twelve-month rolling period. Mr. Anthony advised the Board that he discovered inconsistencies in the consumption information collected by meter-read date and meter-bill date. The consumption report presented that evening had been corrected. Inconsistencies were also discovered in production estimates from the Begonia Iron Removal Plant, such that production was incorrectly measured by approximately 1 acre-foot per day. There are several probable causes, and Cal-Am is working to correct the problem.

Stephanie Pintar, Water Demand Manager, presented the report. A summary is on file at the District office and can be viewed on the District's website. In response to an inquiry from the Board, Ms. Pintar said that she would investigate methods of withdrawing water from the atmosphere as a source for outdoor irrigation.

Henrietta Stern, Project Manager, presented the report. A summary is on file at the District office and can be viewed on the District's website.

David Stoldt, General Manager, presented the report. An outline of the presentation is on file at the District office and can be viewed at the District's website. Mr. Stoldt reported that for the period ending August 31, 2011, California American Water (Cal-Am) production from the Carmel River Basin was 1,267 acre-feet under the production target of 8,119 acre-feet established as a result of State Water Resources Control Board (SWRCB) Order 2009-0060. Production from the Coastal Subareas of the Seaside Basin was 262 acre-feet below the production target of 2,790 acre-feet. Production from the Laguna Seca

6. **Consider Adoption of Administrative Committee Recommendation that No Action be Taken on Establishment of an Annual Limit per Director on Expenditures for Board Conference/Travel**

7. **Ratify Amendments to Board Committee Assignments**

8. **Appoint David J. Stoldt to the Position of Board Secretary**

9. **Consider Adoption of Treasurer's Report for June 2011**

PRESENTATIONS

10. **Report from California-American Water re Progress on Reducing Non-Revenue Water Use**

11. **Water Conservation Program Report**

12. **Update on Development of Water Supply Project Alternatives Including Recycled Water**

GENERAL MANAGER'S REPORT

13. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

Subarea was 124 acre-feet over the production target of 218 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the City of Sand City Desalination plant was 257 acre-feet, which was 18 acre-feet below the production target. Total Cal-Am production from the Monterey Peninsula Water Resources System was 11,090 acre-feet, which is 1,423 acre-feet below the target of 12,513 acre-feet.

The Board reviewed the exhibits provided in the staff report and a revised version of Exhibit 14-C presented at the meeting. No action was taken.

District Counsel reported that he provided status reports on items A through D listed on the Closed Session. The Board provided general direction, but no reportable action was taken.

Director Lehman reported that owners of property located near the former City of Monterey wastewater treatment plant, have contacted her about the desalination project proposed to be constructed at that location. A meeting will be organized so that MPWMD staff can respond to those questions and provide current info on the proposed desalination plant. Director Brower reported that he spoke at a town hall meeting sponsored by Jason Burnett. He also gave a speech to the Carmel Valley Association.

14. Report on Follow-Up from Public Input Received at August 25, 2011 Board Workshop on Alternative Water Supply Planning

ATTORNEY'S REPORT

15. Report on 5:30 pm Closed Session of the Board

3. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

- A. Application of California American Water Company to CPUC Application No.10-01-012 –Mitigation Cost Reimbursement
- B. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
- C. California-American Water Company v. Monterey Peninsula Water Management District. Monterey County Superior Court Case No: M113336
- D. Application of California American Water to the CPUC (Application No. 04-09-019) Coastal Water Project

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

16. Oral Report on Activities of County, Cities, Other Agencies/Committees/ Associations

Director Markey offered a motion that a hearing be scheduled for the Board to consider her appeal of: (1) subordinate decisions related to the appeal by Judy and David Beech, (2) subordinate decisions related to the water distribution system applications by Flores and Pisenti, and (3) as further outlined in the August 5, 2011 email from Director Markey to Darby Fuerst, admitted as Exhibit 17-A of the staff report on this item. The motion was approved unanimously on a vote of 7 – 0.

The following persons addressed the Board during the public hearing on this item. (1) **David Beech**, the applicant, requested that the Board consider the substance of the original July 11, 2011 appeal at the next meeting, and also reconsider the General Manager's determination that the Flores and Pisenti applications were complete. (2) **Aaron Bierman**, Hydrologist, reported that results from the Pisenti and Flores well tests suggested that there was no constructive interference between those wells. He noted that the Beech well is in continuous operation. (3) **Molly Erickson**, Attorney for David and Judith Beech, requested that the Board set a hearing in October 2011 to consider the Beech appeal, and the Flores and Pisenti application completeness determinations

Report of Ex Parte communications. Directors Pendergrass, Doyle, Markey, Potter and Brower reported ex parte communications with David and Judy Beech and their attorney, Molly Erickson. Directors Lehman and Lewis reported ex parte communications with Molly Erickson.

Director Potter exited the meeting at 9:15 pm, following public hearing item 17.

Director Pendergrass offered a motion that was seconded by Director Doyle, that the Board adopt the second reading of Ordinance No. 149. The motion was approved on a vote of 6 – 0. Directors Brower, Doyle, Lehman, Lewis, Markey and Pendergrass voted in support of the motion. Director Potter was absent. No public comment was directed to the Board during the public hearing on this item.

On a motion by Director Doyle and second of Director Lewis, the Board adopted the October through December 2011 Quarterly Water Supply Strategy and Budget on a vote of 6 – 0. Directors Brower, Doyle, Lehman, Lewis, Markey and Pendergrass voted in support of the motion. Director Potter was absent. No public comment was directed to the Board during the public hearing on this item.

Director Pendergrass offered a motion to adopt Resolution 2011-12, modifying Rule 162. The motion was seconded by Direct Lewis and approved on a vote of 6 – 0. Directors Brower, Doyle, Lehman, Lewis, Markey and Pendergrass voted in support of the motion. Director Potter was absent.

PUBLIC HEARINGS

17. **Consider Board Member Referral Regarding General Manager Direction for Assessment of Flores Well #1 and Pisenti Well #2 (APN 103-071-002 and 103-071-019, Respectively).**

18. **Consider Second Reading and Adoption of Ordinance No. 149, An Ordinance of the Board of Directors Amending the Rebate Program**

19. **Consider Adoption of October through December 2011 Quarterly Water Supply Strategy and Budget**

ACTION ITEMS

20. **Consider Adoption of Resolution 2011-12 Modifying Rule 162 – Regulatory Water Production Targets for California American Water Systems**

The following comments were received during the public comment period on this item. **(1) Larry Silver**, representing the Sierra Club, requested that a notation be added to Table XV-1 stating that the District is aware of the Cease and Desist Order (SWRCB Order 2009-0060) and will assert its regulatory authority to assure in a dry water year that there will be no shift of production from the Carmel River attributable to losses in the Seaside Aquifer. Mr. Silver's statement is on file at the District office and on the District's website. **(2) Craig Anthony** requested that the Board adopt Resolution 2011-12 as presented.

No discussion.

There was no discussion of the Informational Items/Staff Reports.

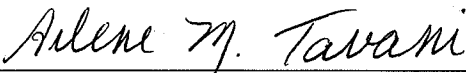
The meeting was adjourned at 9:40 pm.

- 21. Agenda Item 21 removed from the agenda prior to publication.**

INFORMATIONAL ITEMS/STAFF REPORTS

- 22. Letters Received**
- 23. Committee Reports**
 - Carmel River Fishery Report for August 2011**
- 24. Water Conservation Program Report for July 2011**
- 25. Water Conservation Report for August 2011**
- 26. Monthly Allocation Report**
- 27. Monthly California American Water Production Report**
- 28. Monthly Water Supply Status Report**

ADJOURNMENT


Arlene M. Tavani, Deputy Secretary to the Board